

## Business education:

### Managing the river system

#### A strong customer performance

Page 2

#### A lot thinner

Page 3

#### Ouch, itch — an insect- hunter's story

Page 4



Lineman Daniel Stonebreaker, left, and Lineman Apprentice Eric Lawson finish installing a “dead-end sleeve,” which hooks on to insulators on a new conductor on the Apison to Bradley to Catoosa power line in Tennessee. Lawson and about 34 others are upgrading the 161-kilovolt power line that will carry more capacity to meet the growing demand for electricity.

*TVA met record peak demands for May, June and July. And the hottest part of the summer may be ahead. Everyone is needed to help TVA during this long, hot summer.*

**S**upplying the power to meet the demand is a fine balancing act. And, in spite of growing challenges, it's one TVA does well.

“We plan and position ourselves to meet the summer demands,” says Van Wardlaw, vice president of Transmission & Reliability in Power System Operations. “TVA employees do a tremendous amount of work, such as maintenance on our generators and transmission system, to get ready for the system peak demands.

“As a result, our situation for the summer is challenging, but manageable.”

TVA met record peak demands for May, June and July, including meeting the highest demand in TVA history of 32,037 megawatts on July 18.

Wardlaw says the worst part of the summer may be yet to come.

Date	Temperature	Megawatts
May 30	89 degrees	28,235
May 31	90 degrees	28,359
June 21	91 degrees	30,201
June 22	94 degrees	30,676
July 18	97 degrees	32,037

“Our hottest weather is in mid-July to mid-August,” he says. “The performance of our generating fleet and transmission system will be critical. As loads reach record levels again, we will need all of our assets available. Anytime one of our units is offline, we are forced to replace it with higher-cost purchased power — the cost of which is driven by natural-gas prices.”

Power prices so far this summer have been high but have not been extreme. That could change with one hurricane in the Gulf of Mexico.

“We could see some price spikes if we have hurricanes in the Gulf like last year,” Wardlaw says. “At this point, power shortages in the Southeast this summer are only a risk if we have an extreme heat wave or other widespread emergency.”

One of TVA's “fuels” — the water — is limited because of low rainfall.

“When hydro generation is below normal because of drought conditions, it really hurts since it is our lowest-cost form of production. Lack of rainfall also impacts the cooling at the fossil and nuclear plants, which might have to be derated if the water temperature gets too warm.

“Although they can't control the amount of rain that falls, Hydro team

*See “Beating the heat” on page 2*

## Business Council aims to ‘stay the course’

**S**taying the course was the theme chosen when the TVA Business Council met July 18 for its series of updates and information sharing.

“We are in an historic period of change,” President & Acting Chief Executive Officer Tom Kilgore told the 50-plus senior leaders present. “There's much activity around the plans and decisions made about managing the business challenges facing TVA.”

Key to the meeting agenda was discussion around the transitioning of the new TVA Board and the committees named by the board. Each of the six board committees has a management liaison and a secretary — a member of the Management Council

and a senior TVA leader, respectively — that provide information and coordination for that particular committee's work.

The financial update presented by Chief Financial Officer Mike Rescoe included the fiscal year 2007 budget recommendations. Rescoe said the budget proposal included achievement targets, such as a productivity target, a total financial obligation (TFO) reduction of \$529 million and a cash-balance target of \$500 million, among others.

Chris Mitchell, vice president of Risk Management & Economic Analysis, presented a snapshot of employees' views about TVA's

*See “Business Council” on page 4*

## what's new in employee news

### TVARS Web site

All retirement-related information found on TVA's Web site — [www.tva.com](http://www.tva.com) — now can be found on Retirement Services' new Web site — [www.tvars.com](http://www.tvars.com). The new site provides a comprehensive source of retirement information for both retirees and employees.

Most information listed on the previous Web site has been transferred to the new site. Forms, such as beneficiary designation, income-tax withholding, address change, name change and death notification, are available on the new site.

Also available is general information about the Retirement System, including information about the TVA Retirement System Board, the TVARS annual report, and the rules and regulations of the system.

New information being added to the site includes a guide for new retirees, information on employment after retirement, frequently asked questions, and guides on how and when to contact Retirement Services. The site also will have current retirement-system news.

Inside TVA

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# Customer Impact measure stays the course

... but Asset Availability gets  
down arrow, Environmental  
Impact goes sideways

The arrow remains up for the Customer Impact measure on the TVA Balanced Scorecard. However, recovery is unlikely for Asset Availability, and Environmental Impact is now forecast at worse than target, with recovery possible.

Customer Impact (calculated based on Connection Point Interruptions, or CPI, and the Customer Satisfaction Survey, or CSS) performance through June continues to be strong. Third-quarter performance approached stretch goal due to continued strong Power Reliability performance.

Power Reliability (CPI) performance continues favorable to target in spite of intense lightning conditions, which caused some service interruptions.

With lightning-mitigation projects installed and targeted improvements from survey results, Customer Impact performance is expected to be strong through fourth quarter.

Customer Satisfaction (CSS) fiscal year to-date performance was favorable to target due to an increase in overall satisfaction with TVA. The CSS is a quarterly measure of distributors' satisfaction with TVA as their wholesale supplier, with local customer service staff, with TVA's power quality and with the reliability of transmission service.

"Asset availability has been negatively impacted by equipment reliability issues at some of our generating units," says Anda Ray, vice president of Enterprise Performance & Analysis. "Earlier in the year some improvements in availability were made by adjusting planned outages and increasing generation

from other units. With the summer peak demand season dominating the remainder of the fiscal year, limited recovery options are available thus resulting in a negative forecast (down arrow) for year-end Asset Availability.

"To meet this summer peak demand and provide our customers with reliable power, it is critical to continue improving our capabil-

ity to monitor, predict and respond proactively to degrading equipment performance."

The Environmental Impact measure lost ground due to continuing dry conditions impacting minimum flow, dissolved oxygen targets, an accidental release to land and waste production incidents. — **EDDIE RICKS, STEVE SAUNDERS, NANCY GREER**

## Winning Performance

TVA Balanced Scorecard for June 2006

	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	Target	GOALS	Stretch
Financial								
• Net Cash Flow (\$ millions)	20%	TBD	64	149	TBD	394	456	548
• Financial Strength/Reduction in Total Financing Obligations* (\$ millions)	15%	⬆️	48	137	340	340	420	500
• Productivity (kWhs Delivered/ Total Labor Cost)	10%	➡️	82.3	92.7	84.9	93.0	94.8	96.7
Customer								
• Customer Impact (CPI+CSS)**(%)	10%	⬆️	106	100	101	100	101.7	108.1
• Economic Development (index)	10%	⬆️	124	100	115	100	110	120
Operations								
• Asset Availability (GWh Available/GWh Planned)	15%	⬇️	99	100	99	100	101	102
• Environmental Impact ***(index)	10%	➡️	66	67	70	66	60	55
People								
• Safe Workplace**** (Recordable injuries/hours worked)	10%	⬇️	1.35	1.82	1.82	1.82	1.64	1.55

\* To maintain continuity, the original performance measure name of Financial Strength is referenced with the new name, Reduction in Total Financing Obligations (TFO).

\*\* CPI=Connection Point Interruptions and CSS=Customer Satisfaction Survey. Actuals reported quarterly.

\*\*\* Actuals are reported quarterly.

\*\*\*\* Includes TVA and staff-augmented employees; hearing events are excluded. Any TVA employee or staff-augment-

**Status:**

▲ = Forecast at or better than Target

➡ = Forecast worse than Target, but recovery is possible

▼ = Forecast worse than Target, and recovery is unlikely

ed contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level as well as the affected SBU/BU.

This scorecard has been posted on the Winning Performance section of TVA's internal Web site.

## Beating the heat

continued from page 1

members work hard to optimize every drop of water. In addition, Raccoon Mountain Pumped-Storage Plant continues to be a shining star and is being used at record levels."

### Teamwork for TVA's success

Wardlaw says TVA's nuclear and fossil fleet continues to provide the bulk of the power requirements.

"Fossil Power Group has multiple missions — from providing solid baseload power, to 'swinging' units due to reduced system needs during the night, to covering our peaks with its combustion-turbine fleet," he says. "Like a good utility ball player, FPG covers multiple positions and is a key to our success.

"Nuclear continues to be a top-performer, and we're looking forward to Browns Ferry Unit 1 coming online next year."

In addition to the operating units' function of producing affordable, reliable power, Wardlaw points out the importance of employees in other organizations as they help the company fulfill its role as a supplier of power and as a power-purchasing customer.

"Bulk Power Trading is key to securing the best deal for TVA as it purchases power to reliably meet our peaks," he says. "And our transmission organization is critical in providing reliable service to our distributor and direct-served customers, while the Customer Service & Marketing and Economic Development staffs promptly address customer issues and concerns.

"TVA's results impact the Winning Performance measures, which affect all employees. For example, if we have assets that are not available, we have to spread the labor costs across fewer kilowatt-hours, which impacts the Productivity measure. Forced outages affect our Asset Availability measure — and these are just a few examples of the impacts.

"Of utmost importance, however, is that everyone is working safely and helping TVA control costs."

Wardlaw says one of TVA's STAR 7 Values — accountability — means safety for employees and their co-workers.

"We also have to be accountable for identifying and reporting equipment problems that could potentially put our co-workers at risk or cause costly problems.

"After months of planning and preparation, it's time to meet the peaks and serve our customer demands. And I'm confident TVA employees will do just that as we work hard to be safe, reliable and low-cost."

— NANCY CANN



Leslie Nipper, a dual-rate line foreman, installs the equipment safety ground to a driven ground rod. Additional pictures are on the online version of *Inside TVA* on [www.tva.com](http://www.tva.com).



# Learning to be health wise — the difference a year can make

Richard Dennis has learned that fad diets don't work. By eating the right foods in the right amounts, as well as becoming accountable for his health, he has made a significant lifestyle change.

**R**ichard Dennis was overweight and concerned that his blood-sugar levels might lead to diabetes. So in December 2004, he went for his first HealthCheck screening.

Dennis, a project manager in River Operations Engineering in Louisville, Tenn., wasn't surprised to find that the results of the screening affirmed his concerns.

"I suspected I needed to change," he says. "I used the typical excuses: no time to exercise or eat right."

After his screening, he and his wife, Suzi, joined a structured weight-loss program. They learned about eating right and about portion control. And they learned about accountability.

"We knew we had to go three times a week and weigh in front of the same people," says Dennis.

But that was last year. Dennis had his second HealthCheck screening in December 2005 with major improvements — including losing more than 100 pounds between screenings.

"The biggest benefits are that it is easier to do everyday things and my endurance is better," he says. "But I'm most proud of my weight loss. It's funny when people don't recognize me or ask if I'm okay."

Dennis highly recommends HealthCheck to other employees and encourages everyone to make healthy living a priority.

"The HealthCheck screening is a wake-up call to change," he says. "It shows you where you really are, and its reinforcement and reminders helped me throughout the year."

"It's easy to put off and deny health problems, but the change is easier than you think it will be. I know I will live longer now." — *BONNIE-MARIE YAGER*

## Facts about obesity

Although genetics and other factors that can't be controlled can contribute to obesity, environmental and life choices are the greatest causes.

In other words, we take more calories in than we use, says Anita Milstead, Live Well program coordinator and a registered dietitian. She calls this "positive calorie balance."

"Many people get too little exercise and eat too much food," she says. "Technological 'advances' — shopping by phone, remote controls, computer games, elevators — have hurt rather than helped our weight."

She says 30 minutes a day of exercise will help reduce risk of disease, 30-60 minutes a day will prevent weight gain or promote slow loss, 60-90 minutes of exercise a day will maintain weight loss for those who formerly were obese.

Milstead offers the following food and weight plan for reducing calories:

- Have a plan and keep records.
- Learn what a REAL portion size looks like.
- Educate yourself about menu items at restaurants.
- Get help if you need it to learn why you could be using food to fill a void.

"And watch the liquid calories," she says. "Sweet tea, colas and alcoholic beverages add up quickly and don't provide fullness or nutrients."

### So why can't we eat like we should?

"We are constantly bombarded with food messages," Milstead says. "And food is a large part of our social life. Many times we eat out of habit or because it's 'time,' when we aren't really hungry. Above all, we need to listen to our bodies to know when to start and stop eating."



Over a year's time, Richard Dennis lost 105 pounds. His pant size went from a 48-inch waist to a 36-inch waist.

## ACROSS TVA



At the recent dedication of the memorial for the late Bill Newby are, from left, grandson T.J. Newby Jr.; Bill Newby's wife, Sarah; Doug Coleman; and Newby's son Tom Newby.

Known respectfully by Kingston Fossil Plant employees as "Mr. Newby," William P. "Bill" Newby spent 64 years serving TVA. Newby died Nov. 26, 2005, but employees are making sure his legacy lives on. Many Kingston employees attended a memorial dedication of a plaque and a road sign for the late Newby on June 16. The memorial was a joint effort by plant employees who submitted suggestions and the committee that took the suggestions and decided on what the memorial would consist of. The road sign is designed to remind employees to approach their job the way Newby did for 64 years, and the plaque serves as a pledge to follow in the footsteps of their hero. Greg McCartt, Jim Cordell, Brenda Byers and Doug Coleman headed the committee that coordinated the memorial.

**Environmental Stewardship & Policy** is accepting nominations through Oct. 1 for TVA Environmental Excellence Awards for 2006. The objective is to recognize exemplary environmental performance by TVA employees and groups, as well as to share innovative environmental accomplishments in the interest of promoting positive environmental behavior within TVA and beyond. Nominees can be TVA employees, teams, sites or facilities, or organizations. The categories are the six business principles defined in TVA's Environmental Policy & Principles — Management Commitment; Environmental Compliance; Environmental Protection & Stewardship; Pollution Prevention & Control; Partnerships/Public Involvement; and Innovation & Technology Development. Additional information and nomination forms are on TVA's internal Web site. Anyone with questions can call or e-mail Beth Keel (632-6113, [bakeel@tva.gov](mailto:bakeel@tva.gov)).

**Sequoyah Nuclear Plant Unit 1** marked 25 years of safe and efficient operation July 1. Sequoyah 1, Tennessee's first nuclear unit, has generated 171 billion kilowatt-hours of electricity since it began commercial operation July 1, 1981. That's enough electricity to supply all the power needs of the Tennessee Valley for an entire year. Sequoyah Unit 1 is one of TVA's largest generating units and produced the most electricity in its history last year — 10.7 billion kilowatt-hours, almost enough to supply two cities the size of Chattanooga.

## Candidates announced for TVARS Board election

Three employees are running for the TVA Retirement System Board term that will begin Nov. 1. The term will run through Oct. 31, 2009.

Retirement Services will mail election ballots and candidate information to TVARS members Aug. 10.

To vote, members can call the Election Line, which will be open 24 hours a day Aug. 11-25. An Election Help Line (865-632-6357) and a TTY Election Line (865-632-7576) will be available from 8 a.m.-4:45 p.m. EDT during the election period.

The election will close at 4:45 p.m. EDT Aug. 25. If no candidate receives a majority of votes, a runoff election will be conducted.

Here are the candidates, their job title, organization and work location:

**Glenn Henry** — mechanical engineer-design, TVA Nuclear, Site Engineering, Browns Ferry Nuclear Plant

**Leonard Muzyn** — consultant, Fuel Supply Planning Analysis, Fossil Power Group, Chattanooga

**Gary Watson** — program manager, Employee Benefits Strategy & Performance, Human Resources Employee Benefits, Knoxville

More detailed information on the candidates is available on official bulletin boards and the TVARS Web site at [www.tvvars.com](http://www.tvvars.com).

In addition, campaign statements submitted by the candidates are posted on the TVARS Web site and will be updated weekly throughout the election for candidates who submit an update.

For members who do not have access to the Web site, all versions of the campaign statements will be posted on official bulletin boards beginning Aug. 11.



## INSIDER

# Day in the life of a mosquito hunter

**A**s a summer intern in Communications at TVA, I have had the opportunity to work on some unique projects. One of those was my recent trip to Muscle Shoals to meet medical entomologist Kristy Gottfried. Kristy tests mosquitoes in the Tennessee Valley for viruses that can be transmitted to humans.

Kristy and I traveled to the Spring Creek Pickwick collection site in Sheffield, Ala., where she showed me the traps she uses to collect mosquitoes. She admits, jokingly, that the best way to discover what species will attack humans would be to “expose your leg to mosquitoes for 20 minutes and see what bites!”

There are 44 trap sites along the reservoir system from Fort Loudoun Dam to Kentucky Dam and about 53 species of mosquitoes in the Valley. TVA contractors set the traps and send the mosquitoes to Kristy for species identification and testing.

“TVA tests mosquitoes for endemic mosquito-borne viruses to ensure mosquitoes produced in reservoir-margin habitats are not impacting the public health of the local community,” Kristy told me.

TVA fluctuates water levels on four main-river reservoirs weekly from May until September to strand mosquito larvae on shore, where they dry out and die.

These pictures capture our time in the field and in her lab.

— BONNIE-MARIE YAGER

*If you think you, a co-worker or your department would be a good candidate for a Day in the Life or an Insider, e-mail Nancy Cann at nmcann@tva.gov.*



Kristy Gottfried, medical entomologist in River System Operations & Environment, ties off a light mosquito trap. The light trap is designed to capture female mosquitoes looking for a blood meal. The blue cooler contains dry ice that releases carbon dioxide when melting. CO<sub>2</sub> attracts mosquitoes. The small bulb at the top of the net produces heat that attracts a variety of bugs. The bottom of the trap has a fan that sucks the mosquitoes into the trap.



Kristy and I inspect a “gravid trap,” which attracts female mosquitoes ready to lay eggs. This trap is targeted for the species of mosquitoes that carry West Nile virus. “We put a tub of ‘gunky water’ — rabbit food and a gallon of water left to stand for a week — into the trap,” Kristy says. “When the mosquitoes lay their eggs on top of the water, a fan will suck them into the net. When the trap is checked, the water is dumped out. The eggs will dry out and die.”



Once they have been harvested from the traps, the mosquitoes are shipped to the lab in dry ice. “This part of the process takes a lot of time and patience,” Kristy says. “I identify the species of the mosquitoes and record this information in a log book. I do that by viewing the mosquitoes under a microscope, and I use a key to identify the species.”



After Kristy has identified the species, a subset is tested for endemic viruses using a VecTest. For the test, she puts the mosquitoes into tubes with four BBs and a liquid solution. She then places the tube on a vortex machine to grind the tissue and separate it from any virus the mosquito might be carrying.



After dipping strips into the liquid to identify any viruses, Kristy returns to the log book to find which species the mosquito was and the location of the testing site. “A control line appears at the top of the strip to prove the test was good,” she says. “Any viruses found would appear below the control line. If a test is positive and a virus does appear, I notify the state health department of my findings.”

## Business Council

*continued from page 1*

risks. He said employees’ input covered several themes, from such staffing issues as the aging workforce, to asset risks stemming from disasters and terrorism, to TVA market transformation.

Kilgore said dialog occurs almost daily on the Kentucky situation. TVA leaders and the board are talking with customers and elected officials to work toward a mutually acceptable solution.

Kilgore also reported that TVA is initiating a strategic-planning process, with the goal of having initial recommendations to

the board early in calendar year 2007.

In his call to action, Kilgore reviewed highlights and hardspots with the Business Council members, citing reliability, the rate approval, the new TVA Board and the return of two customers as highlights, but noting items such as asset availability, dry conditions and Kentucky as “hardspots that still need attention and solutions.”

He urged those present to “communicate with your employees so they will know what’s important to TVA and will be able to be true ambassadors on behalf of their company and the good work they perform each day.

“With all the challenges, this is still a great time to be at TVA.” — CAROLYN MINTER

## people, plaudits and promotions

**Rory Bratcher** has completed the requirements of the Chief Operating Officer organization’s Engineering Graduate Progression Program and is now a senior level systems engineer. Bratcher graduated from the University of Kentucky in 2000 with a degree in electrical engineering. He began working in Fossil Engineering Design Services in the electrical and controls group before transferring to Paradise Fossil Plant in 2003.



Rory Bratcher

The Communicator Awards, an international awards competition that recognizes outstanding work in the communications field, recognized the *Power Partners News* with the “Award of Distinction” in the industry newsletter category. *Power Partners News* is produced through a collaborative partnership among the West Tennessee Customer Service Center, West Tennessee Industrial Association and 11 West Tennessee power distributors. *Power Partners News* is designed to increase awareness of the services local power distributors can provide to commercial and industrial customers.